



BellSouth Telecommunications, Inc.
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REC'D TH
REGULATORY AUTH.

SEP 11 AM 9 56

Patrick Turner
Attorney

OFFICE OF THE
EXECUTIVE SECRETARY
September 8, 2000

VIA HAND DELIVERY

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

00-00627

Dear Mr. Waddell:

Please accept this letter in response to the attached Data Requests of September 1, 2000. As you know from the discussions during recent Director's Conferences and from BellSouth's letter of August 10, 2000, BellSouth has made good faith efforts to include in CSAs termination liability provisions that are consistent with the terms of the Proposed Settlement Agreement in the Show Cause docket. Some CSAs, however, were submitted to the customer for signature prior to the submission of the Proposed Settlement Agreement and, therefore, are still making their way through the "pipeline."

Additionally, the TRA has recently published its proposed Regulations for the Provision of Tariff Term Plans and Special Contracts ("Proposed Regulations"), and a hearing on these proposed rules has been scheduled for October 18, 2000. These Proposed Regulations set forth limitations on termination liability provisions that are similar to those that appeared in the Proposed Settlement Agreement. These Proposed Regulations, however, are subject to potential revision by the Directors upon receiving public comments and to potential revision resulting from the Attorney General Office's review of the Proposed Regulations as presented to it. After the Attorney General Office's review of the Proposed Regulations, they will be presented to the Secretary of State's office where they must sit for at least 75 days before becoming effective.

In light of these Proposed Regulations, and in an effort to address not only the two CSAs referenced in the Data Request but also any other CSAs that are still in the pipeline, BellSouth would like to offer the following proposal. For all CSAs that are approved between now and the effective date of the Proposed

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Regulations, BellSouth will agree to send the customer a letter when the 75-day time period discussed above begins to run. Such letter would inform the customer that if the customer terminates the contract early without cause, BellSouth waives its right to seek termination charges that exceed the lesser of the following amounts:

- A. The amounts specified in the CSA the customer signed;
- B. The total of the repayment of discounts received during the pervious twelve (12) months of service, the repayment of the prorated amount of any waived or discounted non-recurring charges, and the repayment of the prorated amount of any documented contract preparation, implementation and tracking, or similar charges; or
- C. Six percent (6%) of the total CSA amount.

As you will note, the language in B and C is identical to the language that appears in the proposed Regulations for the Provisioning of Tariff Term Plans and Special Contracts. This proposed letter, therefore, will give the customer the benefit of either the termination liability charge to which it has already agreed or the maximum termination liability charges permitted under the current version of the Proposed Regulations, whichever is more beneficial to the customer.

BellSouth is unaware of any other telecommunications services provider that has adopted the termination liability limitations set forth in the Proposed Settlement Agreement in any form or fashion, and at least one such provider has actively opposed that Agreement. BellSouth, on the other hand, has been working in good faith with both the Staff and the Directors of the Tennessee Regulatory Authority for months to address concerns related to termination liability provisions. The proposal set forth in this letter represents a continuation of BellSouth's good-faith efforts to address the Authority's concerns regarding termination liability charges and BellSouth's concerns regarding competitive fairness without requiring yet another customer contact by BellSouth.

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If you have any questions or comments regarding this response, please do not hesitate to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Patrick W. Turner". The signature is written in a cursive, flowing style.

Patrick W. Turner

PWT/jem

Enclosure

TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman
Lynn Greer, Director
Melvin Malone, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 1, 2000

Mr. Charles Howorth
Regulatory Vice President
BellSouth Telecommunications, Inc.
333 Commerce Street
Nashville, TN 37201-3300

Dear Mr. Howorth:

In order to assist the Authority carry out its duties and obligations, it is requested that you respond to the following:

1. At the August 15, 2000 TRA conference, BellSouth agreed to inform the customer in CSA TN00-2108-02 of the following: In the event the customer terminates its contract prior to its expiration, BellSouth will apply the lesser of the termination liability contained in the contract or termination liability decided pursuant to the Authority's pending CSA rulemaking docket. Please provide the specific language BellSouth proposes to include in the customer notification to describe this agreement?
2. In a letter dated August 10, 2000, BellSouth stated that after August 1, 2000 CSA termination provision language would be voluntarily modified to be consistent with the Proposed Settlement Agreement in Docket 00-00170 on a going-forward basis. Based upon the agreement at the August 15, 2000 TRA conference, has BellSouth's position described in the August 10, 2000 letter changed? If BellSouth's position has changed, please explain the change.

It is requested that this information be furnished by Friday, September 8, 2000. If you have any questions regarding this matter, please contact Jerry Kettles at (615) 741-2791, extension 153.

Sincerely,

David Waddell,
Executive Secretary

☒ State Specific
Copy to:
☒ Spalding ☒ Turner
☐
Scan to: ☒ Smith

Notified of Scan/Faxed:
☐ Lackey ☐ Carver
☐ Ross ☐ Edenfield
☐ Kitchings ☐ Foshee
Other:

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015
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